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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

DR. KENNETH M. STONE, CPA
Internal Audit Executive

Carnahan Courthouse Building
1114 Market St., Room 642
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

November 22, 2010

Maggie Lampe, Executive Director
Grand Oak Hill Community Corporation
4168 Juniata Ave.
St. Louis, MO 63116

RE: Community Development Block Grant (CDBG) (Project #2010-CDA33)

Dear Mrs. Lampe:

Enclosed is a report of our fiscal monitoring review of the Grand Oak Hill Community Corporation, a not-for-profit organization, CDBG Program for the period January 1, 2009 through December 31, 2009. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Grand Oak Hill Community Corporation. Fieldwork was completed on July 26, 2010.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant subrecipients.

If you have any questions, please contact the Internal Audit Section at 314-622-4723.

Sincerely,


Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**GRAND OAK HILL COMMUNITY CORPORATION
CONTRACT #09-31-33, #09-36-33 AND #09-HM-36-33
CFDA #14.218 AND #14.239**

FISCAL MONITORING REVIEW

JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

PROJECT #2010-CDA33

DATE ISSUED: November 22, 2010

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
GRAND OAK HILL COMMUNITY CORPORATION
FISCAL MONITORING REVIEW
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**

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INTRODUCTION

Background

Contract Name: Grand Oak Hill Community Corporation

Contract Numbers: 09-31-33 (Grand Oak Hill CBDO and MAP)
09-36-33/09-HM-36-33 (Grand Oak Hill Housing Program)

CFDA Numbers: 14.218 (Grand Oak Hill CBDO and MAP)
14.239 (Grand Oak Hill Housing Program)

Contract Periods: January 1, 2009 through December 31, 2009

Contract Amounts: \$278,000 (Grand Oak Hill CBDO and MAP)
\$213,489 (Grand Oak Hill Housing Program)
\$85,000 (Grand Oak Hill Housing Program, HOME)

These contracts provided Community Development Block Grant (CDBG) funds to Grand Oak Hill Community Corporation (Agency) for the promotion of neighborhood growth and stabilization through a variety of programs including nuisance abatement and housing development.

Purpose

The purpose of this fiscal monitoring review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2009 through December 31, 2009, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on July 26, 2010.

Exit Conference

An exit conference was not considered necessary because there were no observations.

SUMMARY OF OBSERVATIONS

Conclusion

We found no evidence to suggest that the Agency did not fully comply with federal, state and local CDA requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2009-CDA37, issued April 16, 2009, contained two observations:

1. Opportunity to file monthly financial reports in a timely manner. **(Resolved)**
2. Opportunity to track accrual and use of vacation and sick leave. **(Resolved)**

A-133 Status

The Agency expended \$500,000 or more in federal funds in its fiscal year ended December 31, 2008; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The report was dated September 3, 2009 and rendered an unqualified opinion on the general purpose financial statements. There was one significant deficiency disclosed which was considered a material weakness.

The compliance for major programs received a qualified opinion. There were three significant deficiencies disclosed during the audit that were considered material weaknesses. All of these findings were related to the CDBG passed through the City of St. Louis. The A-133 audit report included the Agency's corrective action plan.

The Agency did not qualify as a low risk auditee.

IAS reviewed the report on June 15, 2010 and found the following technical deficiencies on the SEFA.

- The HOME grant (CFDA #14.239) was not separately reported which had expenditures of \$51,635.
- The HOME grant (CFDA #14.239) was audited according to the CDBG Program requirements (CFDA #14.218)
- The federal program did not list the identifying numbers.

It was recommended that the audit not be accepted until corrections are made to the SEFA.

Summary of Current Observations

We noted no observations during our review.